GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5365
ANSWERED ON:22.12.2000
SUBJECT EXEMPTION IN CUSTOMS DUTY ON IMPORT OF V-SAT IN KU BAND
RAVINDRA KUMAR PANDEY

Will the Minister of FINANCE be pleased to state:

(a) the criteria for giving exemption of customs duty to satellite communication equipment imported by a person licensed by Department of Telecommunications of the Government of India for the purpose of providing value added service, V-SAT system;

(b) whether the Government have exempted customs duty on import of V-SAT in KU band on the recommendation of group of ministers;

(c) if so, the details thereof;

(d) the steps taken by the Government in this regard;

(e) the reasons for not implementing the customs duty exemption on import of V-SAT in KU band; and

(f) the time by which it is likely to be implemented.

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)
(a) Satellite communication equipment(other than customer premises equipment) and Network management system are allowed for import at a concessional rate of 5% basic customs duty when imported by a person licensed by the Department of Telecommunications of the Government of India for the purpose of providing value added service V-SAT system. Such equipments are allowed at a concessional import duty as they are not manufactured in India.

(b) No Sir.

(c) &(d) Does not arise in view of (b) above.

(e) The group of ministers had recommended inclusion of KU band equipment for a concessional import duty of 5% ad-valorem since the existing customs duty concession was not available for import of equipment for operation in KU band. However, since these equipments are also capable for DTH broadcasting, which was not allowed at the material time of examining the recommendation , hence no decision could be taken in this regard.

(f) In view of the fact that the Government have recently allowed DTH(Direct to Home) Broadcasting services and also considering the fact that the Government have received representations from various industry associations for granting customs duty exemption on import of V-SAT in KU band, these requests will be examined as part of the Budget exercise and a suitable decision would be taken.